

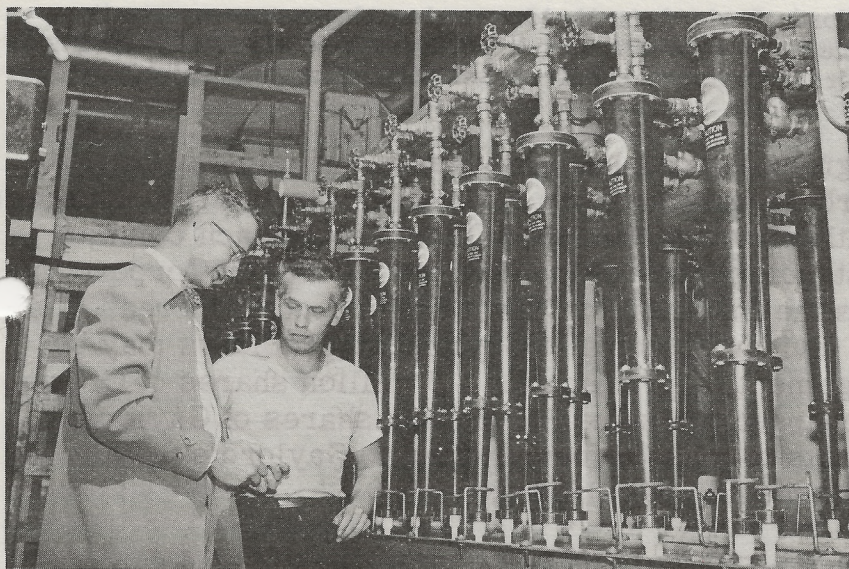
June 30, 1955

Management REPORT

No. 128

ONLY ABOUT A DOZEN of the CZ gift packages remain out of the 200 placed on sale last Friday. If you wish to buy one of these at the reduced rate of \$1.75, please see Julia Boston, personnel office, MacMaster Building.

OUR MILL SAFETY RECORD took a dip last week when an accident occurring on June 18 made 11 for this year. Bernard Jobes, #2 shipping, suffered a foot injury when the electric car puller was inadvertently started by another employee, catching Jobes' foot between the loading platform and the rail car before he had time to jump clear. The shipping department lacked only two days reaching 1000 accident-free days.



A NEW STEP in highest utilization of wood is realized with the start-up of the centrifugal cleaners set for this week. Located in the sulfite wet room, they are designed to clean the waste rejected by the kraft and sulfite fine screens, and to separate from the dirt those good quality wood fibers included in the waste. These reclaimed fibers can then be returned to usable pulp instead of being sent along to West Linn as in the past to make a screening grade used for core paper.

Charles Wheeler, assistant sulfite superintendent in charge of mechanical processes, and Leo White, screen operator, examine centri-cleaners. Screen operators who will oversee new equipment on alternate shifts include R. Dedmore, Burton Hedges and John Beck.

VISITORS in the plant during the fiscal year May 1, 1954 to May 1, 1955 totalled 8617. The largest number coming in any one week was 594 for the second week of May 1954, which included many groups of students.

JOHN GAINES BOLTON, president of Bolton and Sons machine manufacturers, Lawrence, Mass., visited Camas Monday. He made the presentation of the \$500 cash award to Mrs. Berney, personnel department, whose essay on the Value of Better Mill Communications won third prize nationally. First and second national prizes went to employees of Mead Corporation and E. B. Eddy Co., both eastern paper companies.

RIVER FORECASTS issued as a service by the Dept. of Commerce predict a drop of approximately 12 inches within the next week. This indicates that the high point for this year was probably reached with Monday's 26.1 ft. Last year's high was 25.8 ft.

THIS IMPORTANT ANNOUNCEMENT came yesterday after page one had been printed.

Crown Zellerbach Corporation and Gaylord Container Corporation today announced plans for the possible merger of these two well known companies in the paper industry. The announcement was made jointly by J. D. Zellerbach, president of Crown Zellerbach Corp. and Edwin J. Spiegel, president of Gaylord Container Corporation.

Gaylord Container Corporation with headquarters in St. Louis is a large producer of paperboard containers and other kraft products. Its forest lands are in Mississippi and Louisiana, with its principal plant at Bogalusa, Louisiana, and smaller paper mills at Dresden and Baltimore, Ohio. Gaylord's 16 converting plants and most of its 62 sales offices are concentrated in the mid-west, east and south. Its annual production amounts to approximately 1/2 million tons of kraft paper products. Last year Crown Zellerbach sales amounted to \$300,000,000 and the Gaylord sales were about \$90,000,000.

"This would make Crown Zellerbach a truly national organization and provide a sound base for further expansion throughout the national market with an increasing range of paper and paper products", said Mr. Zellerbach. "It should also stimulate greater national competition and enable consumers to benefit from wider choices of quality products."

Mr. Spiegel pointed out that "this merger affords Gaylord stockholders and employees an opportunity to become partners in a highly successful enterprise established in 1870. It likewise offers the benefits from a completely diversified line of paper products for nearly all phases of printing, publishing, packaging, household and consumer uses."

Mr. Zellerbach and Mr. Spiegel said agreement had been reached in principle on an arrangement under which Crown Zellerbach may make an offer to the Gaylord stockholders to exchange two shares of presently authorized but unissued Crown Zellerbach common stock for each three shares of the outstanding stock of the Gaylord Container Corporation. Upon completion of the transaction it is the intention of Crown Zellerbach to increase its dividend rate in order that the present dividend income to Gaylord stockholders may be maintained. Under the informal arrangement, approximately 1.8 million shares of Crown Zellerbach common stock would be exchanged for some 2.7 million shares of Gaylord common stock. Crown Zellerbach expects to make a formal offer to Gaylord's 6,700 shareholders as soon as all legal requirements are fulfilled.

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NEW USES FOR PAPER, as noted in Paper Products News Bulletin:

1. U. S. mail is now shipped to Alaska in paper bags instead of canvas sacks. Annual savings, \$100,000.
2. Laminated paper is being tried as liner for irrigation ditches to reduce water loss by seepage. Paper has to be waterproofed and treated to resist soil bacteria.
3. Tough, corrugated nail boxes are replacing the traditional wooden nail kegs. Boxes are shipped to nail manufacturers in flat loads requiring less than 30% of the shipping space required by wooden kegs.

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OUR RECENT PRODUCTION RECORD was one of several recently established by CZ divisions. The following is quoted from Headquarters bulletin:

CARTHAGE: Once again the mill has topped previous production records with 717 tons produced the week ending May 15. This was 14.6 tons more than the previous record, established the week ending April 24.

CAMAS: A new production record was achieved the week ending May 8 with 801.6 tons the daily average.

WEST LINN: A new single day's production record was achieved on May 14 with 709.3 tons.

ST. HELENS: A new daily average record of 264.7 tons was established for the week ending May 15.

PORT ANGELES: A new production record was established the week ending June 5 with a daily average of 476.2 tons produced. Daily average for the month of May represented a new high of 481.86 tons.